

1 **18706. Determining Whether a Material Financial Effect Is Reasonably Foreseeable**

2 (a) A material financial effect on an economic interest is reasonably foreseeable,
3 within the meaning of Government Code section 87103, if it is substantially likely that
4 one or more of the materiality standards (see Cal. Code Regs., tit. 2, 18704, 18705)
5 applicable to that economic interest will be met as a result of the governmental decision.

6 (b) [Application to Licensed Real Estate Agents and Brokers]: In determining
7 whether a governmental decision will have a reasonably foreseeable material financial
8 effect on an economic interest as defined in subdivision (a) above, [resulting from a
9 public official's occupation as a licensed real estate agent or broker,] the following
10 factors should be considered. These factors are not intended to be an exclusive list of the
11 relevant facts that may be considered in determining whether a financial effect is
12 reasonably foreseeable, but are included as general guidelines:

13 (1) The extent to which the official or the official's source of income has
14 engaged, is engaged, or plans on engaging in business activity in the jurisdiction;

15 (2) The market share held by the official or the official's source of
16 income in the jurisdiction;

17 (3) The extent to which the official or the official's source of income has
18 competition for business in the jurisdiction;

19 (4) The scope of the governmental decision in question; and

20 (5) The extent to which the occurrence of the material financial effect is
21 contingent upon intervening events, not including future governmental decisions
22 by the official's agency, or any other agency appointed by or subject to the
23 budgetary control of the official's agency.

24 (c) Possession a real estate sales or brokerage license, without regard to the
25 official's business activity or likely business activity, does not in itself make a material
26 financial effect on the official's economic interest reasonably foreseeable.
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